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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11
	:	Case Nos. 00-_____
RANDALL'S ISLAND FAMILY GOLF	:	through 00-_____
CENTERS, INC., <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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APPLICATION PURSUANT TO SECTIONS 327 AND  
328 OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULE 2014 FOR ORDER AUTHORIZING DEBTORS-IN-  
POSSESSION TO RETAIN AND EMPLOY FRIED, FRANK,  
HARRIS, SHRIVER & JACOBSON AS ATTORNEYS

TO THE HONORABLE JUDGES OF THE UNITED STATES BANKRUPTCY  
COURT FOR THE SOUTHERN DISTRICT OF NEW YORK:

The above-captioned debtors and debtors-in-possession  
(collectively, the "Debtors"), for their application (the  
"Application") for an order, pursuant to sections 327 and 328 of  
title 11 of the United States Code (the "Bankruptcy Code") and  
Rule 2014 of the Federal Rules of Bankruptcy Procedure (the  
"Bankruptcy Rules"), authorizing the Debtors to retain and employ  
the firm of Fried, Frank, Harris, Shriver & Jacobson ("Fried  
Frank") as their attorneys, respectfully represent as follows:

### Introduction

1. By this Application, the Debtors seek entry of an order authorizing them to retain and employ Fried Frank as their attorneys. By reason of Fried Frank's extensive experience and knowledge in the field of debtors' and creditors' rights and Fried Frank's prior knowledge of the Debtors' assets, affairs and businesses, the Debtors believe that the retention of Fried Frank is in the best interests of the Debtors, their estates and their creditors. Fried Frank will act for the Debtors with respect to all aspects of the Debtors' chapter 11 cases.

### Background

2. On the date hereof (the "Filing Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Concurrently herewith, the Debtors filed a motion seeking joint administration and consolidation of the Debtors' chapter 11 cases for procedural purposes only. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession.

3. The Debtors operate golf, ice skating and family entertainment centers throughout North America. As of the Filing Date, the Debtors owned and/or operated 95 golf facilities and 19 ice skating and family entertainment centers.

4. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), in that it is a matter concerning the administration of the Debtors' estates. The statutory and

rule predicates for the relief sought in this Application are sections 327(a), 328(a), 329 and 1107 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016.

Relief Requested

5. The Debtors desire to employ as their attorneys, and to retain under a general retainer, the firm of Fried Frank.

Applicable Authority

6. Sections 327(a) of the Bankruptcy Code provides, in relevant part, as follows:

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(a).

7. Section 328(a) of the Bankruptcy Code provides, in relevant part, as follows:

(a) The trustee . . . with the court's approval, may employ or authorize the employment of a professional person under section 327 . . . of this title . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis.

11 U.S.C. § 328(a).

8. Section 1107(b) of the Bankruptcy Code provides:

(b) Notwithstanding section 327(a) of this title, a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case.

11 U.S.C. § 1107(b).

9. Bankruptcy Rule 2014(a) provides, in relevant part, as follows:

An order approving the employment of attorneys . . . or other professionals pursuant to § 327 . . . of the Code shall be made only on application of the trustee or committee. . . .

Fed. R. Bankr. P. 2014(a).

10. As a result, this Court is authorized to grant the relief requested in this Application.

Retention of Fried Frank

11. The Debtors seek to retain Fried Frank because (i) Fried Frank has extensive experience and knowledge in the field of debtors' and creditors' rights; (ii) the Debtors believe that Fried Frank is well qualified to represent the Debtors as debtors-in-possession in these chapter 11 cases; and (iii) Fried Frank's bankruptcy and restructuring attorneys have developed familiarity with the Debtors' assets, affairs and businesses. Fried Frank will provide its expertise with respect to bankruptcy-related issues and will act as general bankruptcy counsel for the Debtors. Fried Frank also will provide services, to the extent requested, in a variety of other areas as to which it has expertise, including corporate, tax, litigation, real estate and ERISA and other employee benefits areas.

12. In addition, by reason of its relationship with the Debtors, Fried Frank has acquired invaluable knowledge of the Debtors' affairs. Such knowledge would be difficult and expensive for another firm to acquire. Particularly for that

reason, the Debtors believe that the retention of Fried Frank as their attorneys is in the best interests of the Debtors, their estates and their creditors.

Services To Be Provided

13. Fried Frank rendered legal advice to the Debtors with respect to their restructuring alternatives from July 15, 1999 through the Filing Date. Subject to the control and further order of this Court, Fried Frank will continue to render the following services to the Debtors:

(a) provide legal advice with respect to the Debtors' powers and duties as debtors-in-possession in the continued operation of their businesses and management of their properties and the authorization and approval of a plan of reorganization;

(b) take necessary action to protect and preserve the Debtors' estates, including the prosecution of actions on behalf of the Debtors and the defense of actions commenced against the Debtors;

(c) prepare, present and respond to, on behalf of the Debtors, as debtors-in-possession, necessary applications, motions, answers, orders, reports and other legal papers in connection with the administration of their estates in these cases;

(d) negotiate and prepare on the Debtors' behalf plan(s) of reorganization, disclosure statement(s), and all related agreements and/or documents, and take any necessary action on behalf of the Debtors to obtain confirmation of such plan(s); and

(e) perform any other legal services for the Debtors, as debtors-in-possession, in connection with these chapter 11 cases.

In addition, Fried Frank will consult with the Debtors' management and financial advisors in connection with (i) any potential transaction involving the Debtors and (ii) the operating, financial and other business matters relating to the ongoing activities of the Debtors. Fried Frank will also, to the extent requested, attend and participate in creditors' committee meetings. Fried Frank has indicated a willingness to act on behalf of the Debtors.

No Adverse Interest, Disinterestedness  
and Disclosure of Connections

14. Fried Frank has informed the Debtors that it:

(a) does not hold or represent an interest adverse to the Debtors' estates;

(b) is a "disinterested person" as defined by sections 101(14), and used in section 327(a) (as qualified by section 1107(b)) of the Bankruptcy Code; and

(c) has no connection with the Debtors, their creditors or other parties-in-interest in these cases, except as set forth in the affidavit, annexed to this Application as Exhibit A, of Lawrence A. First, a partner of the firm of Fried Frank.

Professional Compensation

15. Subject to this Court's approval, Fried Frank will charge the Debtors for its legal services on an hourly basis in accordance with its ordinary and customary rates for Bankruptcy Court authorized engagements in effect on the date services are rendered, and submits that such rates are reasonable. In the normal course of business, Fried Frank revises its hourly rates from time to time. Fried Frank's rates for Bankruptcy Court authorized engagements are lower than the standard hourly rates

charged by Fried Frank with respect to other restructuring and insolvency engagements. Set forth below are the current hourly rates which Fried Frank has informed us that it presently charges for the legal services of its professionals in court supervised bankruptcy matters.

Partners	\$490 - \$650 per hour
Of Counsel	\$420 - \$590 per hour
Special Counsel	\$420 - \$435 per hour
Associates	\$235 - \$400 per hour
Legal Assistants	\$ 90 - \$160 per hour

Because the fees (a) are based on hourly rates and will correspond to the degree of effort expended on the Debtors' behalf, and (b) are Fried Frank's usual and customary rates for services of this nature, the Debtors believe that the terms and conditions of Fried Frank's employment are reasonable.

16. In addition to the hourly rates set forth above, Fried Frank customarily charges its clients for all disbursements incurred, including photocopying charges, long distance telephone calls, facsimile transmissions, messengers, courier mail, computer and data bank time, word processing, secretarial overtime and temporaries, overtime meals, overtime and late night transportation, travel, lodging, meal charges for business meetings, postage, printing, transcripts, filing fees, document retrieval and similar items. Fried Frank will be seeking reimbursement of all such charges incurred on behalf of the Debtors.

17. On July 15, 1999, Fried Frank was engaged by the Debtors' to assist them in connection with a potential

recapitalization or restructuring involving the Debtors. Fried Frank was also engaged to assist the Debtors in their efforts to obtain additional liquidity and to prepare the Debtors for potential filings under chapter 11 if such additional liquidity could not be obtained.

18. In connection with its engagement, Fried Frank received advance payments in the amount of \$50,000 in August 1999, \$150,000 in October 1999 and \$200,000 on May 1, 2000 (together, the "Advance Payments") from the Debtors for professional and ancillary services to be rendered and incurred in connection with such services. Fried Frank has performed such services and has rendered statements to the Debtors in respect of such services in the aggregate amount of \$228,447.63. At the termination of Fried Frank's engagement, Fried Frank will provide the Debtors with a final statement that will reflect the amounts by which the accumulated advances exceeded the accumulated charges for all of Fried Frank's services, and Fried Frank will pay such amount to the Debtors.

19. Fried Frank intends to apply to this Court for allowance of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and general orders of this Court.



Best Interests of the Estate

20. Fried Frank's bankruptcy and restructuring attorneys are, in the Debtors' view, highly skilled and have developed a familiarity with the Debtors' affairs. Therefore, the Debtors believe that the retention of Fried Frank is in the best interests of the Debtors, their estates and their creditors.

Notice

21. No trustee, examiner or statutory committee has been appointed in connection with the Chapter 11 Cases. The Debtors have provided notice of this Motion to (i) the Office of the United States Trustee; (ii) Morgan, Lewis & Bockius, LLP, counsel to The Chase Manhattan Bank, as Agent under the Debtors' prepetition working capital facility; (iii) Winick & Rich, P.C., counsel to Magten Asset Management Corp. and Pacholder Associates, the proposed debtor-in-possession lenders; and (iv) United States Trust Company of New York, the Indenture Trustee for the 5¾% Convertible Subordinated Notes due October 15, 2004. Because of the nature of the relief requested, the Debtors respectfully submit that no hearing is required, and no further notice of the relief requested in this Motion need be given.

No Prior Request

22. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE, the Debtors request entry of an order, pursuant to sections 327 and 328 of the Bankruptcy Code and Bankruptcy Rule 2014, substantially in the form attached to this Application, (i) authorizing the Debtors to employ and retain the firm of Fried Frank pursuant to and under a general retainer to represent the Debtors as their attorneys in these chapter 11 cases and (ii) granting such other and further relief as is just and proper.

Dated: New York, New York  
May 4, 2000

RANDALL'S ISLAND FAMILY GOLF  
CENTERS, INC., et al.,  
Debtors and Debtors-in-Possession

By: /s/ Krishnan P. Thampi  
Krishnan P. Thampi  
President

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